VZCZCXRO5942 RR RUEHBI RUEHCI RUEHLH RUEHPW DE RUEHEK #0721/01 1960509 ZNY CCCCC ZZH R 140509Z JUL 08 FM AMEMBASSY BISHKEK TO RUEHC/SECSTATE WASHDC 1195 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUCNCIS/CIS COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 2588 RHEFDIA/DIA WASHDC RUEKJCS/OSD WASHDC RUEAIIA/CIA WASHDC RHEHNSC/NSC WASHDC RUEKJCS/SECDEF WASHDC RUEKJCS/JOINT STAFF WASHDC RUEHGV/USMISSION GENEVA 0972 RUEHVEN/USMISSION USOSCE 2983 RUCNDT/USMISSION USUN NEW YORK 2368 RUEHNO/USMISSION USNATO BRUSSELS BE RUEHBS/USEU BRUSSELS RUEHLMC/MILLENNIUM CHALLENGE CORP RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL

C O N F I D E N T I A L SECTION 01 OF 03 BISHKEK 000721

SIPDIS

DEPT FOR SCA/CEN (GEHRENBECK)

E.O. 12958: DECL: 07/14/2018 TAGS: <u>PREL MARR ENRG ECON KG</u>

SUBJECT: AMBASSADOR REVIEWS BILATERAL ISSUES AND ENERGY

WITH KYRGYZ CHIEF OF STAFF

REF: A. BISHKEK 712

____B. BISHKEK 709
___C. BISHKEK 687

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Classified By: Amb. Marie L. Yovanovitch, Reason 1.4 (b) and (d).

- 11. (C) Summary: President Bakiyev's Chief of Staff Medet Sadyrkulov informed the Ambassador July 11 of his new focus on economic and energy issues, and welcomed the recent visit of U.S. energy firm AES. He pledged to push for a rapid (positive) decision on the proposed Manas Airbase ramp project, and also agreed to visit Washington for two days of meetings after he attends the Democratic National Convention in Denver. Sadyrkulov underscored the need to improve bilateral relations, and also said he would weigh in on the reported abuse of Amcit prisoner Fuad Peygumbari. Sadyrkulov's upcoming U.S. visit presents an excellent opportunity to pass messages directly to President Bakiyev's inbox from Washington. End summary.
- 12. (SBU) Following her earlier farewell calls on Prime Minister Chudinov and President Bakiyev (Ref A and B), the Ambassador met July 11 with Bakiyev's Chief of Staff Medet Sadyrkulov, who had just returned from a European vacation.

Focus on Energy Issues

13. (C) After initial pleasantries, Sadyrkulov told the Ambassador that he would shift his focus from last year's political events (elections, constitutional referendum, etc.) to the current economic and energy issues challenging the government. He repeatedly stressed the importance of the recent visit by U.S. energy firm AES representatives to the Kyrgyz Republic (septel), and assured the Ambassador that Bishkek-based energy assets had not already been allocated to Kazakh businessman Alexander Mashkeyevich. When questioned about the ability of the Bishkek thermal station and other energy sector assets to cope with the coming winter, Sadyrkulov said an experienced company needed to prepare the

Bishkek energy sector assets for future years. He added that there were "no risks" for potential investors like AES in the three Bishkek assets: the thermal station, the hot water/heating network and the Severelectro electricity distribution company. Instead of potential subsidies highlighted by PM Chudinov in his meeting with the Ambassador (reftel A), Sadyrkulov underscored tariff adjustments based on customers' ability to pay to help cover more of the subsidized costs associated with power generation.

Support for Ramp Project

14. (C) Sadyrkulov advised the Ambassador that President Bakiyev had "agreed" to the Manas Airbase ramp project before Sadyrkulov had departed on vacation and expressed surprise that Bakiyev had not conveyed this to the Ambassador in their July 3 meeting (reftel B). Regretting that he had not yet been able to meet with PM Chudinov since returning from vacation, Sadyrkulov pledged to the Ambassador that he would get the ramp deal "done, even possibly before you leave." (Note: The Ambassador departed post early on July 14. End note.) The Ambassador stressed the fast approaching deadline for a Kyrgyz decision on the ramp project.

Travel to the United States, Bilateral Relations and Russia

15. (C) Sadyrkulov confirmed his plans to attend the Democratic National Convention in Denver, and after some discussion agreed to travel to Washington for two days after Denver for meetings. The Ambassador and Sadyrkulov reviewed topics, such as security issues, the airport radar, food

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assistance, the status of Kyrgyz democracy and other topics which might arise in his Washington meetings. Sensing the value of the Washington visit, Sadyrkulov acknowledged past Kyrgyz "mistakes" with the bilateral relationship, but said he had to bide his time. He told the Ambassador that recently he had convinced President Bakiyev "we need to work hard to improve bilateral relations with the United States."

16. (C) Sadyrkulov noted that during Astana's recent tenth anniversary celebration, Russian President Medvedev had invited President Bakiyev for an informal weekend visit to Moscow. While not certain what Medvedev wanted to discuss with Bakiyev, Sadyrkulov lamented that the Russians "talk a lot, but do not deliver." He also remarked that when he started working at the Kyrgyz White House, "Russian generals were walking around the place telling people what to do."

Now, he pointed out, "we have separated the President from the (Russian) FSB."

Personnel Issues

17. (C) When asked about his future, Sadyrkulov asked whether the Ambassador wanted to know if he might become the new Bishkek mayor. (Note: President Bakiyev appointed Nariman Tuliyev "acting" Bishkek mayor July 7, replacing Daniyar Usenov. End note.) Sadyrkulov noted that Tuliyev is a "businessman," who would be more active than his predecessor. (Note: Many connect Tuliyev with organized crime. End note.) In contrast to a comment he made many months ago about preferring to stay behind the scenes, Sadyrkulov said he relished the prospect of being a mayor where he could demonstrate the ability to get things accomplished. However, he concluded that he needed to stay in his current position. Sadyrkulov then commented that the Kyrgyz Republic needed strong ambassadors in Washington and Vienna, and faulted former Foreign Minister Roza Otunbayeva for the ambassadors currently serving in those posts.

Other Topics of Interest

- ¶8. (C) The Ambassador raised the case of jailed Amcit Fuad Peygumbari, who was reportedly beaten by a Kyrgyz security official (see reftel C), and stressed the need for access, protection and a professional investigation of the charges against Peygumbari. Sadyrkulov pledged to raise the issue with State Committee for National Security chief Sutalinov.
- 19. (C) The Ambassador also raised recent legislation passed by or pending in parliament. Sadyrkulov mentioned the public assembly law, and indicated that the current (restrictive) version would be sidelined and replaced by a "better" version prepared by "experts." The Ambassador also mentioned legislation on religion and political parties, and cited President Bakiyev's pledge to consider amendments to the law affecting the Kyrgyz public broadcaster.

Comment

110. (C) While we are hopeful that Sadyrkulov will expedite a positive decision on the ramp project, he will have to overcome significant Kyrgyz White House inertia to achieve a final outcome within the approaching deadline. However, if anyone can do this, it is Sadyrkulov, and it bodes well for several issues that it appears Sadyrkulov is staying in place. While Sadyrkulov no doubt has his own reasons to promote strong ties to the U.S., his comments on bilateral relations are reassuring. His pledge to visit Washington after attending the Denver convention presents an excellent opportunity to engage the Kyrgyz on priority issues and pass core messages directly from Washington insiders to President

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Bakiyev's inbox. We will work with the Department to develop a suitable interagency schedule for Sadyrkulov's Washington visit.

LITZENBERGER